

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1991**

ANSWERED ON TUESDAY, 10 MARCH, 2026/ 19 PHALGUNA, 1947 (SAKA)

**BRANCH EXPANSION OF URBAN COOPERATIVE BANKS**

1991. # SHRI BABURAM NISHAD:

Will the Minister of FINANCE be pleased to state:

- (a) whether urban cooperative banks are likely to open new branches;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to address the difficulties faced by urban cooperative banks across the country?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) and (b): Urban Cooperative Banks (UCBs) can open new branches as per their board-approved policies and in compliance with the relevant Reserve Bank of India (RBI) guidelines.

(c): The Government of India and RBI have taken various measures to address the difficulties faced by UCBs across the country, which *inter-alia* include:

- RBI has introduced the Eligibility Criteria for Business Authorization (ECBA) for UCBs with harmonized eligibility criteria for certain business authorizations / permissions / approvals.
- Housing loan limits have been increased from 10% to 25% of their total loans and advances for UCBs
- The Banking Regulation Act has been amended to increase the terms of directors of UCBs from 8 to 10 years
- Licensing fee for onboarding of cooperative banks to Aadhar enabled Payment System (AePS) have been reduced
- The National Urban Co-operative Finance and Development Corporation Limited (NUCFDC), which is a non-deposit taking Non-Banking Financial Company (NBFC), has been set up as an Umbrella Organization for Urban Cooperative Banks to provide Information Technology (IT) infrastructure and operational support
- Deposit Insurance and Credit Guarantee Corporation (DICGC) insures various types of deposits up to ₹ 5,00,000 per depositor per bank (including principal and interest) for UCBs

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